

Message Text

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73

ACTION AID-59

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-09 NEA-10 ISO-00 IO-10

L-03 SS-15 NSC-05 CIAE-00 COME-00 EB-07 FRB-01 INR-07

NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 ABF-01 PA-02 PRS-01 /194 W

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R 241650Z SEP 75

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 5019

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ADDIS ABABA

AMEMBASSY BAMAKO

AMEMBASSY BANGUI

AMEMBASSY BANJUL

AMEMBASSY BELGRADE

AMEMBASSY BLANTYRE

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY BJUMBURA

AMEMBASSY CONAKRY

AMEMBASSY COPENHAGEN

AMEMBASSY COTONOU

AMEMBASSY DAKAR

AMEMBASSY DAR ES SALAAM

AMEMBASSY N

AMEMBASSY FREETOWN

AMEMBASSY GABORONE

AMEMBASSY HELSINKI

AMEMBASSY JIDDA

AMEMBASSY KIGALI

AMEMBASSY KINSHASA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

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AMEMBASSY LOME

AMEMBASSY LONDON
AMEMBASSY LUSAKA
AMEMBASSY MADRID
AMEMBASSY MASERU
AMEMBASSY MBABANE
AMEMBASSY MOGADISCIO
AMEMBASSY MONROVIA
AMEMBASSY NAIROBI
AMEMBASSY NIAMEY
AMEMBASSY NOUAKCHOTT
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY OUAGADOUGOU
AMEMBASSY PARIS
AMEMBASSY PORT LOUIS
AMEMBASSY PRETORIA
AMEMBASSY RABAT
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TANANARIVE
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS
AMEMBASSY YAOUNDE

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E.O. 11652: N/A

TAGS: EAID, XA

SUBJECT: REPLENISHMENT AFRICAN DEVELOPMENT FUND

1. DESPITE OPENING RHETORIC BY SWEDEN, CANADA, BELGIUM
ADB AND OTHERS THAT THIS PLEDGING SESSION FIRST
OPPORTUNITY MAKE CONCRETE THE DECISIONS OF 7TH UN SPECIAL
SESSION, THIRD DONOR MEETING ON REPLENISHMENT AFRICAN
DEVELOPMENT FUND FOR 1976-78 MADE VIRTUALLY NO PROGRESS.
FRG, SWISS, AND UK UNABLE AGREE TO DOUBLING THEIR
CONTRIBUTIONS AND THIS CALLED INTO QUESTION CONTRIBUTIONS
OF CANADA, SWEDEN AND OTHERS ONLY BRIGHT SPOT WAS
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ATTENDANCE BY US AS OBSERVER FOR FIRST TIME AND US
ANNOUNCEMENT HOUSE SUB-COMMITTEE HAD SEPTEMBER 23 NOT
ONLY UNANIMOUSLY APPROVED LEGISLATION AUTHORIZING US
PARTICIPATION ADF BUT ALSO RAISED US CONTRIBUTION FOR
NEXT THREE YEARS FROM 15 TO 25 MILLION DOLLARS.
NEXT DONOR MEETING TENTATIVELY SCHEDULED FOR NOVEMBER 24 IN
PARIS.

2. STATUS IN PREVIOUS MEETINGS, DONORS AND AFRICAN BANK HAD AGREED ON 375 MILLION DOLLAR TARGET FOR ADF FUNDING, I.E. LENDING PROGRAM, FOR THREE YEARS 1976-78. THERE WAS ALSO APPARENTLY AGREEMENT IN PRINCIPLE THAT 15 CURRENT DONOR MEMBERS WOULD EACH CONTRIBUTE AT LEAST TWICE AS MUCH IN 1976-78 AS IN INITIAL 1973-75 PERIOD. MOREOVER, IT WAS ANTICIPATED THAT SOME DONORS WOULD DO SOMEWHAT MORE THAN DOUBLE. THIS WOULD PROVIDE DOLS 250-300 MILLION FROM PRESENT DONOR MEMBERS WITH ROUGHLY DOLS 100 MILLION REMAINDER TO COME FROM POTENTIAL NEW MEMBERS, I.E. US, SAUDI ARABIA, KUWAIT, ARGENTINA, FRANCE, AUSTRIA, AUSTRALIA.

3. POSITIONS. THIS EXPECTED TO BE FINAL MEETING, BUT SEVERAL COUNTRIES WERE UNABLE MAKE INDIVIDUAL PLEDGES SUPPORTING AGREEMENT IN PRINCIPLE TO DOUBLE CONTRIBUTIONS. FOLLOWING SEVEN COUNTRIES AGREED DOUBLE WITH 1976-78 CONTRIBUTION IN UNITS OF ACCOUNT AS SHOWN -- US DOLLAR 1.11 APPROXIMATELY ONE UNIT OF ACCOUNT (UA): BELGIUM 6; CANADA 45; ITALY 20; JAPAN 30; NETHERLANDS 12; NORWAY 15; SWEDEN 18. NONE OFFERED MORE THAN DOUBLE EIGHT COUNTRIES UNABLE SUPPORT DOUBLING PRINCIPLE; NOTABLY FRG ONLY 150 PERCENT AT 22.5, SWISS 145 PERCENT AT 9, UK AGREED DOUBLE IF PRESENT DONORS MEET 300 MILLION UA TARGET BUT TO CONTRIBUTE ONLY ABOUT 14-15 MILLION UA WITH PRESENT PATTERN; BRASIL NOT REPRESENTED, DENMARK INCREASED FROM 7-10 SPAIN FROM 3 TO 4.5, YUGOSLAVIA AND FINLAND UNCLEAR IF ANY NEW CONTRIBUTION.

4. KEY IS FRG WHICH HAS RELATIVELY LOW CONTRIBUTION IN ADF AND IS PREPARED GIVE SMALLEST INCREASE AMONG MAJOR DONORS. FRG INDICATED ADDITIONAL CONTRIBUTION MIGHT BE POSSIBLE IN ABOUT 18 MONTHS BUT HELD OUT NO HOPE OF ADDITIONAL PLEDGE THIS FALL. LIKELY UK WILL IMPROVE ITS OFFER FYI. BANK PRESIDENT UNCLASSIFIED

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LABIDI PLANS ORGANIZE INTENSIVE AFRICAN DIPLOMATIC PRESSURE ON FRG. END FYI.

5. SAUDIS SAID THEY PLAN JOIN FUND IN OCTOBER WITH INITIAL CONTRIBUTION OF 10 MILLION UA. US REP BUSHNELL INFORMED MEETING OF FAVORABLE ACTION HOUSE BANKING AND CURRENCY SUB-COMMITTEE IN RAISING AMOUNT AUTHORIZING LEGISLATION TO DOLS 25 MILLION AND REPORTING JOINT INTER-AMERICAN BANK AND AFRICAN DEVELOPMENT FUND BILL TO FULL COMMITTEE BY SEVEN TO ZERO VOTE. BUSHNELL, HOWEVER, CAUTIONED THAT THERE STILL NUMEROUS CONGRESSIONAL STEPS NECESSARY TO AUTHORIZE US CONTRIBUTION AND FOLLOWING AUTHORIZATION IT WOULD BE NECESSARY OBTAIN APPROPRIATIONS FROM CONGRESS BEFORE US CAN JOIN.

6. FYI. IN PRIVATE DISCUSSIONS UNDERSTANDING REACHED WITH
BANK PRESIDENT ON SCENARIO TO AVOID MAINTENANCE OF VALUE
OBLIGATIONS FOR US AND ON POSSIBILITIES FOR US
REPRESENTATION IN BOARD EXECUTIVE DIRECTORS PRIVATELY LABIDI
SAID HE BELIEVES SAUDIS MAY CONTRIBUTE AS MUCH AS DOLS 50
MILLION. END FYI.
RENNER

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